

AGENDA



Thursday, August 26, 2010

**Purchasing Office
RECOMMENDATION FOR COUNCIL ACTION**
Item No. 32

Subject: Authorize award and execution of a 36-month requirements supply contract with POWER SUPPLY INC., Austin, TX for the purchase of distribution capacitors for Austin Energy in an estimated amount not to exceed \$174,636, with three 12-month extension options in an estimated amount not to exceed \$58,212 per extension option, for a total estimated contract amount not to exceed \$349,272.

Amount and Source of Funding: Funding in the amount of \$58,212 is contingent upon the approval of the Fiscal Year 2010-2011 Proposed Operating Budget of Austin Energy. Funding for the remaining 24 months of the original contract period and extension options is contingent upon available funding in future budgets.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Gabriel Guerrero, Buyer II/322-6060

Purchasing Language: Sole bid received.

MBE/WBE: This contract will be awarded in compliance with Chapter 2-9D of the City Code (Minority Owned and Women Owned Business Enterprise Procurement Program) No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

Boards and Commission Action: Recommended by the Electric Utility Commission.

This contract will provide for the supply of distribution capacitors to replenish stock at Austin Energy's Kramer and St. Elmo warehouses. The capacitors are used to help stabilize the City's electrical power distribution system voltage and power factor as required.

MBE/WBE Solicited: 0/4 MBE/WBE Bid: 0/0

PRICE ANALYSIS

- a. Sole bid. Power Supply is the only authorized distributor of the manufacturer ABB (Asea Brown Boveri) products to the City of Austin. No other vendor bid an equal product.
- b. Two hundred nine notices were sent, including four WBEs. There are no known MBEs for this commodity. One bid was received, with no response from the WBEs.
- c. The pricing offered represents a 22% increase to the last contract award in September 2006. The increase can be attributed to higher prices for steel and raw material.

APPROVAL JUSTIFICATION

- a. Sole bid received. Power Supply is the current provider of these products.
- b. The Purchasing Office concurs with Austin Energy's recommended award.
- c. Advertised on the Internet.